

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

|                              |   |              |
|------------------------------|---|--------------|
| DOLORES SCHEIDLY,            | : |              |
|                              | : | CIVIL ACTION |
| Plaintiff,                   | : |              |
|                              | : | NO. 99-265   |
| v.                           | : |              |
|                              | : |              |
| TRAVELERS INSURANCE COMPANY, | : |              |
|                              | : |              |
| Defendant.                   | : |              |

**MEMORANDUM**

Buckwalter, J.

March \_\_\_\_\_, 1999

Plaintiff Dolores Scheidly filed a pro se complaint on January 19, 1999, merely listing claims of malicious use of process, malicious abuse of process, and violations of due process and equal protection. Plaintiff simultaneously moved for summary judgment, identifying for the first time, factual allegations for the claims that were sequentially listed in her complaint. On January 21, 1999, this Court dismissed, without prejudice, Plaintiff's summary judgment motion for failure to comply with Fed. R. Civ. P. 56(a). Defendant subsequently filed the present motion to dismiss Plaintiff's complaint pursuant to Rule 12(b)(6). For purposes of deciding the motion, the Court will treat the materials submitted by Plaintiff in support of her summary judgment motion as part of her complaint.

## I. BACKGROUND

This suit arises out of litigation over insurance coverage for an automobile accident that occurred on February 5, 1991. Plaintiff's husband, Joseph Scheidly, was injured in that accident, and Plaintiff incurred a loss of consortium. At the time of the accident, Plaintiff and her husband maintained an automobile insurance policy with Defendant Travelers Insurance Company ("Travelers"). Mr. and Mrs. Scheidly filed a claim with Defendant for uninsured motorist benefits. Mr. Scheidly claimed personal injuries, and Plaintiff claimed loss of consortium. An arbitration hearing was held on both of their claims, following which the board of arbitrators issued an award on March 17, 1994 in favor of Mr. Scheidly and against Travelers in the amount of \$325,000.00. The award was issued in Mr. Scheidly's name only.

Following the award, Defendant sent a release to Mr. Scheidly for his signature. After the release was executed, Defendant issued a check to Mr. Scheidly and his attorneys in the amount of \$325,000.00. On July 25, 1994, Plaintiff resubmitted her claim with Travelers for loss of consortium as she believed that, upon review of her husband's award, the check, and the release, her claim was ignored by the panel of arbitrators. The panel of arbitrators reconvened as a result of Plaintiff's correspondence with Travelers and confirmed the original award of \$325,000.00. The arbitrators stated, however, that the award covered all outstanding claims, including Plaintiff's derivative claim.

On October 17, 1994, Plaintiff petitioned the Court of Common Pleas of Delaware County to vacate the award of the arbitrators. Defendant cross-petitioned to confirm the award. The court issued an order directing the board of arbitrators to clarify the original award of March 17, 1994 with regard to Plaintiff's claim for loss of consortium. The arbitrators

issued a clarification indicating that the original award considered all claims including Plaintiff's claim. On March 25, 1996, the Court of Common Pleas entered an order denying Plaintiff's petition to vacate and granting Traveler's petition to confirm the award. Plaintiff subsequently filed a timely appeal to the Superior Court of Pennsylvania. In a memorandum opinion, the Superior Court affirmed the order of the trial court. Plaintiff thereafter filed a petition for allowance of appeal to the Supreme Court, which was denied. Plaintiff then filed a petition for reconsideration of the denial of the allowance of appeal, which was also denied.

## II. DISCUSSION

Defendant moves to dismiss Plaintiff's complaint for failure to state claims upon which relief can be granted pursuant to Federal Rule of Civil Procedure 12(b)(6). As Defendant relies on matters outside the pleadings and provides supporting documentation, the Court will treat Defendant's motion as one for summary judgment. See Fed. R. Civ. P. 12(b). Furthermore, as Plaintiff has indicated in her response that she desires such a result, and all pertinent material is presently before the Court, Defendant's motion will be disposed of as provided in Rule 56.

### A. Standard of Review

Summary judgment is appropriate "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c). The moving party has the burden of demonstrating the absence of any genuine issue of material fact. See Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986). A factual dispute is "material" if it might affect the outcome of the case under the governing substantive law. See Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986).

Additionally, an issue is “genuine” “if the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” Id.

If the moving party establishes the absence of a genuine issue of material fact, the burden shifts to the non-moving party to “set forth specific facts showing that there is a genuine issue for trial.” Fed. R. Civ. P. 56(e). In doing so, the non-moving party must “do more than simply show that there is some metaphysical doubt as to the material facts.” Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 586 (1986). If the evidence of the non-moving party is “merely colorable,” or is “not significantly probative,” summary judgment may be granted. Anderson, 477 U.S. at 249-50.

In the instant complaint, Plaintiff claims that the procedure in the arbitration and state court proceedings violated her due process and equal protection rights, and was a misuse and abuse of process. Specifically, she claims that the arbitrators violated the Uniform Arbitration Act, 42 Pa. Cons. Stat. Ann. § 7311, in confirming their original award and in announcing that the award included Plaintiff’s claim for loss of consortium. Defendant argues, however, that because the same issues in this case have already been litigated, or could have been litigated, in prior state proceedings, the doctrines of res judicata and collateral estoppel bar Plaintiff’s claims and entitle Defendant to summary judgment.

Res judicata and collateral estoppel relieve parties of the cost and vexation of multiple lawsuits, conserve judicial resources, and, by preventing inconsistent decisions, encourage reliance on adjudication. See Allen v. McCurry, 449 U.S. 90, 94 (1980). In addition, these doctrines “promote the comity between state and federal courts that has been recognized as a bulwark of the federal system.” Id. at 96. In deciding whether Plaintiff’s claims are barred by

her prior litigation in the Pennsylvania courts, this Court must apply Pennsylvania law. See McNasby v. Crown, Cork & Seal Co., 888 F.2d 270, 276 (3d Cir. 1989), cert. denied, 494 U.S. 1066 (1990).

B. Res Judicata

In order to determine whether Plaintiff's claims are barred by the doctrine of res judicata, it is necessary to examine the conditions that must be present for the doctrine to prevail. Pennsylvania common law has a four-prong requirement that must be met in order for a second action to be precluded. See e.g., Brame v. Buckingham Township, No. CIV.A. 96-5821, 1997 WL 288673, \*6 (E.D. Pa. May 23, 1997). The two actions must share an identity of the "(1) thing sued on; (2) cause of action; (3) persons and parties to the action; and (4) quality or capacity of the parties suing or sued." Id. (citing McNasby, 888 F.2d at 276).

All four elements are met here. First, Plaintiff is once again litigating over her rights to uninsured motorist benefits. Because the same occurrence underlies this suit and her actions in state court, the first prerequisite of res judicata -- identity of subject matter -- is met.

The second element -- identity of the cause of action -- is also satisfied. To determine whether causes of action are identical for purposes of res judicata, there are four criteria, including whether (1) the acts complained of and the demand for relief are the same; (2) the theory of recovery is the same; (3) the witnesses and documents necessary at trial are the same; and (4) the material facts alleged are the same. See O'Leary v. Liberty Mutual Insurance Co., 923 F.2d 1062, 1065 (3d Cir. 1991). Here, all of these criteria are met. The acts complained of and the demand for relief are the same: damages for loss of consortium due to misuse and abuse of process. Additionally, in the state court proceedings, Plaintiff had sought

redress for the abuse and/or misuse of the arbitration process by the arbitrators and Defendant. The theory of recovery is the same in the instant action as Plaintiff proposes that the process below was misused and/or abused and violated her constitutional rights. Moreover, the witnesses and documents necessary at trial are the same and the material facts alleged regarding the misuse and/or abuse of process are the same. Plaintiff continues to complain, as she did at the trial court level and through the appellate courts of Pennsylvania, that the uninsured motorist hearing and the trial court proceeding with respect to Defendant's petition to vacate the arbitration award were a misuse and abuse of process as well as a violation of her due process and equal protection rights. Thus, the essence of the claims asserted by Plaintiff are similar, if not identical, to the claims brought in federal court.

The third and fourth prerequisites of res judicata are clearly met as the parties to the instant action, Dolores Scheidly and Travelers, are the same parties from the prior proceedings, and there is no dispute as to the quality or capacity of the parties suing or being sued.

### C. Collateral Estoppel

While the Court finds that Plaintiff's claims are barred by res judicata, the Court also concludes that collateral estoppel bars the present suit. Under Pennsylvania law, which adopts the requirements of the Restatement (Second) of Judgments, a prior determination of a legal issue is conclusive in a subsequent action between the parties on the same or different claim when: (1) the issue was actually litigated; (2) the issue was determined by a valid and final judgment; and (3) the determination was essential to the judgment. See e.g., O'Leary, 923 F.2d

at 1067 (citing Restatement (Second) of Judgments § 27 (1982) and Clark v. Troutman, 509 Pa. 336, 340 (1985)).

All three requirements for collateral estoppel are satisfied in this case. First, the issues of (1) whether the arbitrators violated the Uniform Arbitration Act in confirming their original award and in announcing that the award included Plaintiff's claim for loss of consortium and (2) whether Defendant misused or abused process by filing a petition to confirm the award, were "actually litigated." An issue is "actually litigated" when it "is properly raised, by the pleadings or otherwise, and is submitted for determination and is determined." Id. at 1066. There is no doubt that these issues were raised by Plaintiff in her appeals to the Pennsylvania courts. There is also no dispute that the issues were submitted for determination, and actually determined, by the state courts through each step of the appeals process. Second, the determination of these issues has now become final and conclusive as Plaintiff has exhausted her appeals through the state system. Finally, it is apparent from the resolution of these issues in the state court proceedings that these issues were essential to the judgments below. Thus, the elements of collateral estoppel have been satisfied.

### III. CONCLUSION

For the foregoing reasons, Defendant's motion as converted to one for summary judgment is **GRANTED**. An appropriate order follows.

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|                              | : |              |
| Defendant.                   | : |              |

**ORDER**

AND NOW this \_\_\_\_\_ day of March, 1999, upon consideration of Defendant's motion to dismiss as converted to one for summary judgment (Docket No. 5) and Plaintiff's response thereto (Docket Nos. 1, 2, and 6), it is hereby **ORDERED** that the motion is **GRANTED**. Judgment is entered in favor of Defendant, Travelers Insurance Company, and against Plaintiff, Dolores Scheidly. The Clerk of Court shall mark this case **CLOSED**.

BY THE COURT:

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RONALD L. BUCKWALTER, J.